

CLIQ Digital Reports Third Quarter 2024 Results

- Significant cash flow improvement quarter-on-quarter
- EBITDA stabilises at €6m quarterly despite sales decrease as focus on profitability pays off
- Group-wide transformation programme making further progress on cost cutting, new products and diversification of sales channels
- 84% of max. share buyback volume repurchased for €5m per 01/11/2024

DÜSSELDORF, 7 November 2024 – CLIQ Digital AG has today published its unaudited 3Q/9M 2024 financial report. The report is available for download on the company's website at <https://cliqdigital.com/investors/financialreporting>.

Performance

in millions of €	3Q 2024	2Q 2024	Δ	9M 2024	9M 2023	Δ
Bundled-content	52	66	-21%	188	227	-17%
Single-content	2	2	-19%	7	15	-56%
North America	38	47	-18%	134	143	-6%
Europe	12	14	-19%	43	84	-48%
Latin America	3	4	-29%	10	9	10%
ROW	1	3	-59%	8	6	33%
Sales	54	68	-21%	195	242	-19%
CAC¹ for the period	-21	-28	-26%	-80	-92	-13%
EBITDA (before special items)	6	6	2%	17	39	-57%
EBITDA margin ²	11%	8%		9%	16%	
Profit for the period²	3	3	-3%	8	25	-67%
EPS² (in €)	0.45	0.45	0%	1.36	3.82	-64%

- **Sales:** In 3Q 2024, Group sales declined by 21% quarter-on-quarter to €54 million (2Q 2024: €68 million) mainly due to a lower cost per acquisition (CPA), which was rigorously executed per management decision to focus on and increase profitability. The CPA was thereby brought more in line with the lower expected average lifetime value (LTV) of our customers, which led to less new customer acquisitions. The LTV decreased due to the higher churn rates resulting from new customer care tools in place at the card scheme companies, which consequently resulted in shorter average customer loyalty durations. Hence, the sales decline in Europe and North America continued in 3Q 2024 and was quarter-on-quarter 19% and 18% respectively (2Q 2024: -19% and -4% resp.).

¹ Customer acquisition costs

² before special items

Corporate News

- **Customer acquisition costs for the period:** The Group's decision to strategically increase its focus on profitability was attributable for the lowering of the target CPA. Subsequently, the customer acquisition costs for the period 3Q 2024 decreased by 26% quarter-on-quarter to €21 million (2Q 2024: €28 million), which as a percentage of revenue was 38% (2Q 2024: 41%).
- **EBITDA:** EBITDA before special items in 3Q 2024 increased by 2% quarter-on-quarter to €5.7 million (2Q 2024: €5.6 million). However, the corresponding EBITDA margin rose quarter-on-quarter to 11% (2Q 2024: 8%) as a result of (1) a reduction in customer acquisition costs paid for acquiring new subscribers and (2) lower operating expenses executed in line with the Group's focus on profitability. Reported EBITDA was €3 million (2Q 2024: €3 million). The special items related mostly to costs incurred from the "Fit For Future" transformation programme to restructure and optimise the Group's operational and organisational structures.
- **Earnings per share:** Before special items, basic EPS in 3Q 2024 remained sequentially stable at €0.45 (2Q 2024: €0.45) on the back of a profit for the period before special items of €3 million (2Q 2024: €3 million). Reported basic EPS was €0.13 (2Q 2024: €0.15).
- **Cash flow & liquidity:** Operating free cash flow improved significantly in 3Q 2024 and totalled €3 million (2Q 2024: -€0.2 million). Cash flow from financing activities included €1.2 million for the repurchase of 183 thousand shares from the Group's share buyback programme. As at 30 September 2024, the Group's net cash position amounted to €9 million (30/06/2024: €7 million).

Operational indicators

- **Customer base:** The number of paying customers per 30 September 2024 for bundled- and single-content streaming services decreased sharply quarter-on-quarter to 0.7 million (30/06/2024: 1.0 million) as the result of the Group's stronger focus on profitability.
- **Lifetime value of a customer:** In 3Q 2024, the expected average lifetime value of a customer (LTV) for bundled- and single-content services was down 8% quarter-on-quarter to €72 (2Q 2024: €78).
- **Lifetime Value of Customer Base:** As at 30 September 2024, the Lifetime Value of Customer Base (LTVCB) decreased notably to €97 million compared to prior quarter-end (30/06/2024: €128 million). The decrease was related to the sharp drop in paying customers. The LTVCB represents the expected sales to be generated from paying customers as at reporting date over their estimated individual remaining lifetime.

Strategic updates

- **"Fit For Future":** In the first nine months 2024, the cost-savings comprised measures to counter adverse market conditions and right-size the Group's operations and administration. Notable examples include a full-scale strategic review of the Group's human resources, its external service provider support and its general administrative as well as operating expenses. Productivity gains were – and are to be further – generated by fully focussing on operational improvements required across the Group. The Group is focusing on accelerating the diversification of its sales channels (the "Magnificent Seven") and establishing solid frameworks to facilitate stronger global earnings.

Corporate News

- **New products:** From 3Q 2024 on, the Group has trialled and successfully launched new digital products across various regions. Furthermore, the Group is testing new sales channels on social media as well as new monetisation models to diversify and optimise its performance marketing.

Share buyback programme

In the first nine months of 2024, the Group repurchased 507,245 treasury shares at an average share price of €9.40, which equalled 78% of the maximum buyback volume and 8% of the total share capital issued. From 1 October until 1 November 2024 (included), CLIQ repurchased further 34,389 treasury shares at an average share price of €6.58.

The Group continues to buy back shares within the share buyback programme initiated in February this year. This programme is testament to CLIQ Digital's conviction in its operational strength and the objectives of its growth strategy.

Management Board statement

"Our action plans and countermeasures are showing good and gradual progress," said Luc Voncken, CEO. "Financially, the Group's strongly improved operating free cash flow, its total liquidity and the EBITDA margin expansion are testament to our focus on cash generation and profitability. Operationally, we are very pleased to have launched new and exciting digital products, further accelerated the diversification of our sales channels and made greater inroads in streamlining and restructuring our company with our Fit For Future transformation programme. We are now in a better state to get back to our growth path going forward."

Earnings call

A live audio webcast conducted in English will be held **today** at **2.00 p.m. CET** with presentations from Luc Voncken, CEO, and Ben Bos, member of the Management Board.

To register for this audio webcast, please go to:

https://cliqdigital.zoom.us/webinar/register/WN_rrfKlu48SjObcmMPmvFPpw

Questions submitted **before 12.00 p.m. CET via email** to investors@cliqdigital.com will be answered after the presentations.

A recording of the webcast will be available shortly after the webcast at: <https://cliqdigital.com/investors/financials>.

Contacts

Investor Relations:

Sebastian McCoskrie, s.mccoskrie@cliqdigital.com, +49 151 52043659

Media Relations:

Daniela Münster, daniela.muenster@h-advisors.global, +49 174 3358111

Financial calendar

Preliminary FY 2024 results	Thursday	30 January 2025
Annual report 2024 & earnings call	Thursday	20 February 2025
Annual General Meeting 2025	Friday	11 April 2025
Financial report 1Q 2025 & earnings call	Thursday	8 May 2025
Half-year financial report 2025 & earnings call	Thursday	7 August 2025
Financial report 3Q/9M 2025 and earnings call	Thursday	6 November 2025

About CLIQ

The CLIQ Digital Group is a leading online performance marketing company selling subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers worldwide. The Group licenses streaming content from partners, bundles it and sells the content through its numerous streaming services. Over the years, CLIQ Digital has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups. CLIQ Digital operates in over 40 countries and employed 144 staff from 37 different nationalities as at 30 September 2024. The company is headquartered in Düsseldorf and has offices in Amsterdam, Paris and Toronto. CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN: DE000A35JS40, GSIN/WKN: A35JS4) and is a constituent of the MSCI World Micro Cap Index.

Visit our website at <https://cliqdigital.com/investors>, where you will find all publications as well as further information about CLIQ Digital and please follow us on LinkedIn.